

LEVY LID-LIFTS

(RCW 84.55.050)

The following examples, explanations, and recommendations are intended to assist taxing districts in writing ballot titles authorizing increases over the levy limit outlined in chapter 84.55 RCW, also known as lid-lifts. Lid-lifts allow a district to increase its highest lawful levy by more than one percent. General statutory requirements for all lid-lift propositions include the following:

- Propositions must be approved by a majority of the voters voting at the election.
- Elections must be held no longer than 12 months prior to the date the levy is to be made.
- The ballot title must state the total dollar rate to be levied, which cannot exceed the maximum statutory dollar rate for the taxing district.

Lid-lifts can be broken into two types—temporary and permanent.

TEMPORARY LID-LIFTS

A temporary lid-lift allows a district to increase its highest lawful levy by more than one percent for a particular purpose or a specific time period, or both. RCW 84.55.050(1) requires that these conditions be stated clearly in the ballot title. Once the time period has expired or the limited purpose fulfilled, the levy is calculated as if the lid-lift had not been approved.

Limited Purpose

The following is an example of a ballot title for a temporary lid-lift for a specific purpose:

The ABC County legislative authority adopted Resolution No... concerning an increase in the County's regular property tax levy. For the purpose of obtaining the necessary funds to construct a juvenile detention facility, this proposition would allow ABC County to increase its current expense levy to \$1.80 per thousand dollars of assessed value for collection in 2004 and increase the levy each year thereafter as allowed by chapter 84.55 RCW until said purpose has been accomplished. Should this proposition be:

| | |
|----------|--------------------------|
| Approved | <input type="checkbox"/> |
| Rejected | <input type="checkbox"/> |

RCW 84.55.050 does not require the ballot title to state the year the lid-lift will begin; however, the date is recommended for the purpose of clarity to anyone unfamiliar with the time requirements for lid-lifts. The sample ballot title also states that the purpose of the lid-lift is to obtain the necessary funds for the construction of a juve-

nile detention facility. This means that once the necessary funds have been obtained, the lid-lift expires, and the levy calculations will be recalculated for the 2004 tax year, and every year thereafter, as if the lid-lift had not been approved.

Limited Time Period

A ballot measure for a temporary lid-lift that limits the time in which the lid-lift is to be in effect might appear as follows:

The ABC County legislative authority adopted Resolution No... concerning an increase in the County's regular property tax levy. This proposition would allow the County to increase its current expense levy to \$1.80 per thousand dollars of assessed value for collection in 2004 and increase the levy each year thereafter as allowed by chapter 84.55 RCW for each of the five succeeding years. Should this proposition be:

Approved ☐
Rejected ☐

This sample ballot title clearly states that the lid-lift will be for six years beginning with the 2004 tax year. The last year the lid-lift will be in effect is the 2009 tax year. The levy limit for the 2010 tax year will be calculated as if the lid-lift had not been approved.

Limited Purpose and Time Period

A district may also limit both the purpose and the time period for a lid-lift. The ballot title for this type of lid-lift might appear as follows:

The ABC County legislative authority adopted Resolution No... concerning an increase in the County's regular property tax levy. For the purpose of obtaining the necessary funds to construct a juvenile detention facility, this proposition would allow ABC County to increase its current expense levy to \$1.80 per thousand dollars of assessed value for collection in 2004 and increase the levy as allowed by chapter 84.55 RCW for each of the five succeeding years or until said purpose has been accomplished, whichever is first.

Should this proposition be:

Approved ☐
Rejected ☐

The language in the sample ballot title indicates that the lid-lift will expire either after the sixth year or when the county obtains the necessary funds for the detention facility, whichever is first. In this particular ballot title, the county could be even more specific by stating the dollar amount needed to be raised for the facility's construction. It might appear as follows:

The ABC County legislative authority adopted Resolution No... concerning an increase in the County's regular property tax levy. For the purpose of raising \$2,000,000 to construct a juvenile detention facility, this proposition would allow ABC County to increase its current expense levy to \$1.80 per thousand dollars of assessed value for the 2004 tax year and increase the levy as allowed by chapter 84.55 RCW for each of the five succeeding years or until said purpose has been accomplished, whichever is first. Should this proposition be:

Approved ☐
Rejected ☐

Once the \$2,000,000 is raised or the six years expire, whichever is first, the levy will be calculated as if the lid-lift had not been approved.

Counties, Cities, and Towns: Setting the Limit Factor

For counties, cities, and towns, voters may also approve lid-lifts allowing the limit factor used in calculating the levy limit after the first year of the lid-lift to be greater than would otherwise be allowed under chapter 84.55 RCW. These temporary lid-lifts cannot be for more than six consecutive years and the ballot title must state the following:

- the rate to be levied in the first year
- the limit factor to be used each year after the first year of the lid-lift
- the purpose of the lid-lift

A ballot title of this type of lid-lift might look like the following:

The ABC County legislative authority adopted Resolution No... concerning an increase in the County's regular property tax levy. For the purpose of obtaining funds to construct a juvenile detention facility, this proposition would allow ABC County to increase its current expense levy to \$1.80 per thousand dollars of assessed value for collection in 2004 and authorize annual increases in the levy amount by 4 percent, thereby setting the limit factor at 104 percent, for each of the five succeeding years. Should this measure be:

Approved ☐
Rejected ☐

In this example, although not required, the ballot title states that approval of the measure would authorize a four percent increase for each year's levy because many voters may not know what the phrase "limit factor" means.

Instead of stating the limit factor, a ballot title may specify a particular index to be used in determining the limit factor. RCW 84.55.050 uses the Consumer Price Index (CPI) as an example of such an index. In this case, a district might be *tempted* to write its ballot title as follows:

The ABC County legislative authority adopted Resolution No... concerning an increase in the County's regular property tax levy. For the purpose of obtaining funds to construct a juvenile detention facility, this proposition would allow ABC County to increase its current expense levy to \$1.80 per thousand dollars of assessed value for collection in 2004 and authorize annual increases in the levy amount by the consumer price index (CPI), thereby setting the limit factor at 100 percent plus the CPI, for each of the five succeeding years. Should this proposition be:

Approved ☐
Rejected ☐

The problem with this ballot title is that it doesn't explain how the CPI will be used in determining the limit factor. It is important that this type of ballot title states how the specified index will be used in deter-

mining the limit factor. A correct ballot title might read as follows:

The ABC County legislative authority adopted Resolution No... concerning an increase in the County's regular property tax levy. For the purpose of obtaining funds to construct a juvenile detention facility, this proposition would allow ABC County to increase its current expense levy to \$1.80 per thousand dollars of assessed value for collection in 2004 and authorize annual increases in the levy amount by the percentage change in the consumer price index (CPI), thereby setting the limit factor at 100 percent plus the percentage change in the CPI, for each of the five succeeding years. Should this proposition be:

Approved ☐
Rejected ☐

For this type of ballot title, the limit factor does not have to be the same for each year of the lid-lift. A ballot title setting different limit factors for different years might read as follows:

The ABC County legislative authority adopted Resolution No... concerning an increase in the County's regular property tax levy. For the purpose of obtaining funds to construct a juvenile detention facility, this proposition would allow ABC County to increase its current expense levy to \$1.80 per thousand dollars of assessed value for collection in 2004 and set the limit factor for 2005, 2006, 2007, 2008, and 2009 at 102 percent, 103 percent, 104 percent, 104 percent, and 104 percent respectively. Should this proposition be:

Approved ☐
Rejected ☐

PERMANENT LID-LIFTS

Permanent lid-lifts are not limited by a particular purpose or time period; thus, the levy limitation is calculated each year after the first year of the lid-lift with a new base amount. A permanent lid-lift ballot title might read as follows:

The ABC County legislative authority adopted Resolution No... concerning an increase in the County's regular property tax levy. This proposition would allow ABC County to increase its current expense levy to \$1.80 per thousand dollars of assessed value for collection in 2004 and increase the levy each year thereafter as allowed by chapter 84.55 RCW. Should this proposition be:

Approved ☐
Rejected ☐

A ballot title for a permanent lid-lift may state a specific purpose; however, the purpose for the lid-lift should be ongoing. Such a ballot title might read as follows:

The ABC County legislative authority adopted Resolution No... concerning an increase in the County's regular property tax levy. This proposition would allow ABC County to increase its current expense levy to \$1.80 per thousand dollars of assessed value for collection in 2004 and increase the levy each year thereafter as allowed by chapter 84.55 RCW for general county purposes. Should this proposition be:

Approved ☐
Rejected ☐

Counties, Cities, and Towns: Setting the Limit Factor

Voters may also approve a permanent lid-lift that sets multiple limit factors for counties, cities, and towns. The ballot title for such a lid-lift might read as follows:

The ABC County legislative authority adopted Resolution No... concerning an increase in the County's regular property tax levy. For the construction, maintenance, and operation of a juvenile detention facility, this proposition would allow ABC County to increase its current expense levy to \$1.80 per thousand dollars assessed value for collection in 2004, authorize annual increases in the levy amount by 4 percent, thereby setting the limit factor at 104 percent, for each of the five succeeding years, and increase the levy each year thereafter as allowed by chapter 84.55 RCW for general county purposes. Should this proposition be:

Approved ☐
Rejected ☐

The final phrase of this ballot title, which states that the levy for each year after the six-year period will be increased as allowed by chapter 84.55 RCW, turns what would be a six-year temporary lid-lift into a permanent lid-lift.

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